

Message Text

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PAGE 01 TEL AV 00675 281403Z
ACTION OES-06

INFO OCT-01 AF-08 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 CIEP-01 COME-00 DODE-00 EB-08 FPC-01 H-01
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04
USIA-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01
PRS-01 /099 W

-----290317Z 087988 /14

R 281200Z JAN 77
FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 4627
INFO AMEMBASSY PRETORIA
AMCONSUL CAPE TOWN

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CAPETOWN FOR AMEMBASSY

DEPT PLS PASS COMMERCE

E.O. 11652: N/A
TAGS: ENRG, IS
SUBJECT: ENERGY - COAL SUPPLY FOR HADERA POWER PLANT

REF: 76 TEL AVIV 7146

1. EMBOFF DISCUSSED WITH ARIEL AMIAD, GENERAL MANAGER, ISRAEL ELECTRIC CORPORATION (IEC), PRESENT STATUS OF HADERA POWER PROJECT, AND PARTICULARLY COAL SUPPLY SITUATION FOR PLANT. THE PLANT (4X 350 MW) WILL BE CAPABLE OF USING CRUDE PETROLEUM, HEAVY RESIDUAL OIL, OR COAL AS ITS FUEL SOURCE. CURRENT INTENTION IS TO USE COAL AND, WHEN PLANT IN FULL OPERATION, COAL REQUIREMENT WILL TOTAL 3.5 MILLION TONS PER YEAR.

2. IEC HAS NOT RPT NOT DECIDED HOW TO HANDLE IMPORTS
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OF THIS COAL. ONE POSSIBILITY IS TO BUILD AN OFFSHORE UNLOADING FACILITY OPPOSITE THE PLANT SITE, WHICH IS ON THE COAST SOUTH OF CAESARIA. AT THE PRESENT TIME A U.S. COMPANY IS CARRYING OUT A STATE-OF-THE-ART SURVEY FOR THE IEC ON EXISTING OFFSHORE UNLOADING FACILITIES. ANOTHER POSSIBILITY IS FOR COAL TO BE UNLOADED AT HAIFA (AT A SPECIAL TERMINAL TO BE BUILT) AND TRANSPORTED BY

EXISTING RAIL LINE FROM HAIFA TO POWER PLANT SITE. IN THIS CASE A UNIT TRAIN TECHNIQUE MIGHT BE USED. A THIRD POSSIBILITY IS FOR COAL TO BE UNLOADED AT EILAT AND TRANSPORTED BY RAILROAD (NOT BUILT YET). PROBLEM OF HANDLING SUCH LARGE AMOUNTS OF COAL IS KEY PENDING DECISION IN POWER PROJECT WHICH IS ALREADY UNDER CONSTRUCTION AND ON SCHEDULE FOR COMPLETION IN 1980-83. PROJECT PARTIALLY FINANCED BY EXIM BANK GUARANTEE. ALMOST 60 PERCENT OF TOTAL COST WILL BE SPENT IN U.S.

3. AMIAD SAID THAT MAIN SUPPLIERS OF COAL WILL BE SOUTH AFRICA, AUSTRALIA, AND U.S., WHILE IEC HAD BEEN APPROACHED BY MANY COUNTRIES (INCLUDING POLAND), IT HAS MADE CONTACT ONLY WITH THOSE IT THINKS WILL BE ITS MAJOR SUPPLIERS ON A LONG-TERM BASIS. IN ADDITION, IEC WILL SIGN CONTRACTS ON SPOT-MARKET FOR COAL TO ROUND OUT ITS NEEDS. AT PRESENT TIME IT IS A BUYER'S MARKET IN COAL INDUSTRY AND THERE IS NO SHORTAGE OF COAL BEING OFFERED. AMIAD SAID THAT IEC WISHES TO SIGN CONTRACTS WITH SEVERAL COUNTRIES IN ORDER TO LESSEN ITS DEPENDENCE ON ANY ONE, PARTICULARLY SOUTH AFRICA.

4. COMMENT: WE UNDERSTAND FROM AMIAD THAT U.S. SUPPLIERS WERE BEING GIVEN OPPORTUNITY TO BID FOR COAL CONTRACTS. HOWEVER, GIVEN KEEN INTEREST OF OTHER COUNTRIES IN THIS LARGE, NEW BUYER, WE RECOMMEND THAT DEPARTMENT MAKE SURE THAT U.S. COAL EXPORTERS ARE FULLY INFORMED.

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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